

**SUBJECT: EMPLOYEE PERFORMANCE MANAGEMENT AND RECOGNITION
PROGRAM**

1. PURPOSE.

- a. To establish requirements and responsibilities for the administration of the non-Senior Executive Service (SES) and Senior Professional or Technical (SL/ST) performance management program for all non-SES/SL/ST employees.
- b. To improve individual and organizational performance, enhance program effectiveness, and ensure accountability by focusing on results, service quality, customer satisfaction, and by aligning critical elements with organizational goals and the Department of Energy's (DOE) Strategic Plan.

2. CANCELLATION. DOE O331.1C Admin Chg 3, *Employee Performance Management and Recognition Program*, dated 11-13-14.

3. APPLICABILITY.

- a. Departmental Applicability. Except for the exemptions in paragraph 3.d., this directive applies to all Departmental elements, including Bonneville Power Administration (BPA). This Order automatically applies to Departmental elements created after its effective date.

The Administrator of National Nuclear Security Administration (NNSA) must assure that NNSA employees comply with their respective responsibilities under this directive. Nothing in this Order will be construed to interfere with the NNSA Administrator's authority under section 3212(d) of Public Law (P.L.) 106-65 to establish Administration-specific policies, unless disapproved by the Secretary.

In accordance with the responsibilities and authorities assigned by Executive Order 12344, codified at 50 USC sections 2406 and 2511 and to ensure consistency through the joint Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors (Director) will implement and oversee requirements and practices pertaining to this directive for activities under the Director's cognizance, as deemed appropriate.

- b. DOE Contractors. This directive does not apply to DOE contractors.
- c. Experts and Consultants. This directive does not apply to Experts and Consultants appointed under 5 U.S.C. 3109.

- d. Equivalencies and Exemptions to DOE O 331.D. Requests for exemption to this Order must be submitted in memorandum form to the Director, Office of Human Capital Management, Office of the Chief Human Capital Officer. The memorandum must include the basis for the exemption, identify the requirement for which the exemption is sought, and request a timeframe, as applicable.
- (1) Equivalency. In accordance with the responsibilities and authorities assigned by Executive Order 12344, codified at 50 USC sections 2406 and 2511 and to ensure consistency through the joint Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors (Director) will implement and oversee requirements and practices pertaining to this directive for activities under the Director's cognizance, as deemed appropriate.
- (2) Exemption. This directive does not apply to:
- (a) The National Nuclear Security Administration (NNSA) employees; per DOE Exemption Memorandum dated, 5/13/2010.
 - (b) Employees in Senior Executive Service (SES) and Senior Professional or Technical (SL/ST) positions.
 - (c) The annual appraisal period for BPA General Schedule (GS), hourly non-management negotiated pay (BB), hourly leader negotiated pay (BL), and hourly supervisory negotiated pay (BS) employees. The annual appraisal period for these employees will be November 1 through October 31 of the subsequent calendar year. For exceptions, see paragraphs 4.c.(12)-(19).
 - (d) The performance award determinations and limits for Excepted Service employees in pay plans EJ and EK who are covered by DOE O 329.1 Excepted Service Authorities for EJ and EK Pay plans.
 - (e) The performance award determinations and limits for Advanced Research Projects Agency-Energy (ARPA-E) employees in pay plans ER and ET who are subject to the additional pay limits established by P.L. 111-358.
 - (f) The performance award determinations and limits for Exceptionally Well Qualified (EWQ) employees in pay plan EQ who are subject to additional pay limits established by P.L.113-76.

4. REQUIREMENTS.

a. General.

- (1) Each covered employee must have a performance plan established in the Department's Electronic Performance Management System (ePerformance). ePerformance will be used for all phases of the performance management process from creation of the performance plan, to submitting the rating of record in the employee's electronic Official Personnel File (eOPF).
- (2) The normal annual appraisal period is the fiscal year: October 1 through September 30 of the subsequent calendar year.
- (3) The minimum appraisal period required to receive a performance rating is 90 days from the effective date that the employee is assigned, detailed, or temporarily promoted to a position; the maximum appraisal period is 15 months.
- (4) Employees who start a new position through an appointment, reassignment, reinstatement or transfer in the last 90 days of the appraisal period will have their appraisal period extended to the end of the following appraisal period; not to exceed 15 months. For example, an employee who transfers to DOE from another federal agency on August 1, 2015, will have a 14-month appraisal period that will begin on August 1, 2015 and end September 30, 2016.
- (5) Employees who have been covered by a performance plan for at least 90 days and are detailed or temporarily promoted in the last 90 days of the appraisal period will receive their rating of record for the current appraisal period based on their permanent position, while the temporary assignment will be included in the following appraisal period. For example, the employee's FY15 appraisal period begins on October 1, 2015, the employee is detailed to another position on July 21, 2016; the employee will receive their FY15 rating of record based on their performance in the permanent position from October 1, 2015 through July 20, 2016. The employee's FY16 appraisal period will begin on July 21, 2016 and end on September 30, 2017. Exception: An advisory rating is not required if the Rating Official of the permanent position is also the Rating Official for the temporary position.
- (6) There is no requirement that a Reviewing or Rating Official occupy their position for a specific length of time before they can create a performance plan, conduct a progress review or issue a performance rating.

- (7) Each covered employee must have at least one progress review conducted during the appraisal period. The review must include a discussion with the employee and must be documented in ePerformance.
- (8) Departmental elements must provide an atmosphere in which open and frank two-way communications can be achieved between employees and their supervisors regarding all aspects of this program.
- (9) Information and training on the requirements and administration of the program will be made available to all covered employees by the Office of the Chief Human Capital Officer.
- (10) Training is required for all covered employees and their supervisors at least every 2 years; new employees are required to complete training within the first 45 days of the effective date of their assignment.
- (11) An employee must contact his/her servicing Human Resources (HR) Office for procedures to request reconsideration of their current rating of record.

b. Performance Plans.

- (1) Performance plans are to be developed jointly by the Rating Official and employee or group of similarly situated employees. The Rating Official has the final authority regarding the substance of the performance plan, subject only to the plan's approval by the Reviewing Official.
- (2) Performance plans must be communicated to the employee, completed and signed by at least the Reviewing and Rating Officials at the beginning of the appraisal period; normally within 30 days, but no later than 45 days from the effective date of an assignment. Performance plans for employees who are on a temporary assignment, such as detail or temporary promotion which is expected to last at least 90 days must be completed within 30 days from the effective date of the assignment.
 - (a) The Reviewing Official signs first to acknowledge that the Rating Official is aware of their performance management responsibilities (e.g. the Rating Official is aware the performance plan must be discussed with the employee) and to approve that the plan is consistent with meeting the Department's overall mission and goals.
 - (b) The Rating Official signs prior to the employee to acknowledge that the employee was afforded the opportunity to discuss the performance plan and the employee. If an employee declines to sign the plan, the Rating Official will advise the employee that his/her signature only acknowledges that the plan was discussed; it

does not necessarily indicate the employee agrees with the plan. If the employee does not sign the plan within 7 days of the first request, the Rating Official will annotate on the form that the employee declined to sign and the employee will receive their rating of record for the appraisal period based on the evaluation of the critical elements in the plan. If the employee is not available to sign, the Rating Official will annotate the form that the employee was unable to sign and provide a reason.

- (c) The employee signs last to acknowledge that the job performance outcomes and expectations of the performance plan were discussed. The employee's signature does not necessarily indicate agreement with the performance plan. The employee's failure to sign does not nullify the performance plan, or other DOE actions with regard to performance management.
- (3) The performance plan is considered official when the plan, signed by at least the Reviewing and Rating Officials is made available to the employee. In the event that the Rating Official is unavailable for an extended period of time and an Acting Rating Official is not designated, the Reviewing Official may discuss, acknowledge and provide the plan to the employee.
- (4) The performance plan must only contain critical elements that are specific, measurable, achievable, relevant to the work performed, linked to organizational mission and goals, and time-bound; and may include dates, or milestones for specific deliverables or projects.
- (5) The number of critical elements must be at least 3, but no more than 6, in which a critical element can be double- or triple-weighted for a maximum of 6 weighted elements. The Rating Official will determine the weight of each critical element based on the importance of the outcomes and expectations.
- (6) Each critical element must be written only at the Meets Expectation (ME) level, which is also referred to as the Fully Successful level.
- (7) Specific requirements (e.g., occupational and/or safety standards) must be in performance plans when the requirements are intrinsic to the duties of the position by way of the position description, Executive Order or DOE Order. For example: In accordance E.O.13526 and DOE O 475.2B, any employee who has authority to classified information must have a critical element to evaluate the employee's performance in the management of classified information.
- (8) Only positions officially classified as supervisor (coded 2 or 4) must have a critical element for supervision which will be at least double-weighted.

The supervisory critical element at Appendix A must be used as the supervisory element for all supervisors.

- (9) Performance plans should be reviewed and updated when the duties and responsibilities or the outcomes and expectations of a critical element change. However, changes will not be made to the performance plan if there are less than 90 days remaining in the appraisal period.

c. Appraisal (Rating) Process.

- (1) The rating of record must be completed and signed by at least the Rating and Reviewing Officials and made available to the employee within 45 days from the end of the appraisal period. This requirement also applies to ratings issued under exceptions in 4.c.(9)-(19).
- (2) After the end of the appraisal period, the Rating Official will use his/her own observation, supplemental sources and input from the employee and/or customers, to objectively evaluate the employee's performance. The Rating Official will then assign each critical element one of the following rating levels and include a narrative justification that supports the rating.
 - (a) Exceeds Expectations (EE) is a level of performance that is consistently and dramatically higher than that described at the ME level in terms of work products and/or results achieved, high cost-savings or cost avoidances, and/or extremely high levels of efficiency, effectiveness, and timeliness.
 - (b) Meets Expectations (ME) is the "Fully Successful" or acceptable level that is described for each critical element and is intended to describe the level that is reasonably expected to be achieved in terms of quality, quantity, effectiveness, and timeliness.
 - (c) Fails to Meet Expectations (FME) is the lowest level that a critical element can be rated. It indicates that the employee's performance is "Unacceptable". When one critical element is rated FME, the overall summary level rating is FME.
- (3) Each critical element must be rated at one of the three levels above, with the exception of Not Ratable (NR).
 - (a) NR indicates that the employee did not have an opportunity to perform the critical element due to reasons beyond the employee's control (e.g., when a project has been delayed due to a lack of funding, an employee has an extended absence due to Workers Compensation or is on Leave Without Pay, or the critical element needs to be revised significantly or deleted).

- (b) Any critical element considered to be NR will be noted as NR on the appraisal form and will not be considered when determining the employee's summary rating. NR is not a summary rating level, therefore, an employee cannot have every element on his/her performance plan rated NR.
- (4) A summary rating will be determined using the Summary Rating Determination Chart below. The chart corresponds to pattern E in Title 5, Code of Federal Regulations section 430.208(d).

Total Weighted Critical Elements	Summary Rating
All at rated EE	SE (Level 5)
Majority rated EE	EE (Level 4)
Equally divided between EE and ME Majority rated ME, or all at ME	ME (Level 3)
Any at FME	FME (Level 1)

- (5) Summary Ratings will be assigned by the Rating Official and approved by the Reviewing Official. If there is disagreement, the two officials must resolve the issue(s), if an agreement cannot be reached; the Reviewing Official has final authority over the summary rating issued as the rating of record.
- (6) In cases where the Rating Official occupies a key position (e.g., Site Office Manager, Service Center Director, Principal Deputy etc.), it may be more appropriate for the Rating Official to also serve as the Reviewing Official. Exception: When a rating of record is prepared at the FME level, a higher-level management official in the employee's supervisory chain must serve as the Reviewing Official.
- (7) The performance appraisal is considered official when the appraisal signed by at least the Reviewing and Rating Officials is made available to the employee. In the event that the Rating Official is unavailable for an extended period of time and an Acting Rating Official is not designated, the Reviewing Official may discuss, sign and provide the rating of record to the employee. Exception: When a rating of record is prepared at the FME level, a higher-level management official in the employee's supervisory chain must serve as the Reviewing Official.
 - (a) The Reviewing Official signs first to acknowledge that the Rating Official is aware of their performance management responsibilities

- (e.g. the Rating Official is aware the summary rating must be discussed with the employee), they approve the summary rating, and to ensure consistency in the application of the performance management program among subordinates.
- (b) The Rating Official signs prior to the employee to acknowledge that the employee was afforded the opportunity to discuss the summary rating. If the employee declines to sign, the Rating Official will advise the employee that their signature only acknowledges receipt of the summary rating; it does not necessarily indicate agreement with the rating. If the employee does not sign within 7 days of the first request, the Rating Official will annotate on the form that the employee declined to sign and acknowledge the summary rating as the employee's rating of record for the appraisal period. If the employee is not available to sign, the Rating Official will annotate the form and provide a reason why the employee is unable to sign.
 - (c) The employee signs last to acknowledge that the summary rating was discussed. The employee's signature does not necessarily indicate agreement with the rating. The employee's failure to sign does not nullify the rating of record or other DOE actions with regard to performance management.
- (8) When an employee is detailed or temporarily promoted within DOE for 90 days or more, the Rating Official of the temporary assignment must create an Advisory rating in ePerformance that contains the critical elements the employee will be rated on during the temporary assignment. At the end of the assignment the temporary Rating Official will evaluate and rate each critical element to complete the Advisory rating. The Rating Official of permanent position will consider the Advisory rating when preparing the employee's rating of record for the entire appraisal period. *NOTE: The Advisory rating is not considered a rating of record and does not go in the employee's eOPF.*
 - (9) When an employee is reassigned or promoted within DOE and more than 90 days are remaining in the appraisal period, the losing organization is not required to complete an advisory rating for the gaining organization to consider in determining the rating of record for the appraisal period.
 - (10) When an employee separates other than for a transfer (e.g. resignation or retirement) before the end of an appraisal period after being covered by a performance plan for at least 90 days, a performance rating is not required to be completed.
 - (11) When an employee is temporarily detailed outside of DOE for 90 days or more, the Rating Official will make every attempt to contact the

employee's temporary supervisor and request a narrative performance appraisal based on the performance-related criteria that was communicated in writing to the borrowed employee at the beginning of the temporary assignment; this should be a requirement in the Interagency Agreement. The Rating Official will consider any feedback provided on the temporary assignment when preparing the employee's rating of record for the entire appraisal period.

- (a) When an employee is reassigned or promoted within DOE and less than 90 days are remaining in the appraisal period, the losing organization must complete a performance rating that will serve as the rating of record for the appraisal period if the employee was covered by a performance plan for at least 90 days in the losing organization.
- (b) When an employee transfers into DOE and less than 90 days are remaining in the appraisal period, the gaining organization will provide a pro-rated performance award based on the losing agency's rating of record for the employee if that agency provides one; otherwise, the employee will not have a rating of record for that appraisal period.
- (c) When an employee transfers out of DOE and less than 90 days are remaining in the appraisal period, the losing organization must complete a performance rating that will serve as the rating of record for the employee for the appraisal period if the employee was covered by a performance plan for at least 90 days in the losing organization.
- (d) When a Rating Official changes (e.g. reassignment, detail, retirement) within the last 90 days of the appraisal period, the departing Rating Official must complete performance ratings that will serve as the ratings of record for the appraisal period for all subordinates who have been covered by performance plans for at least 90 days. Exception: When the Rating Official does not have enough time (e.g. short-notice reassignment) to complete a rating of record for each eligible employee, they must leave sufficient information on each employee's performance to assist the new Rating Official and/or the Reviewing Official in completing the ratings of record for the appraisal period.
- (e) When an employee's performance has changed from ME or above to
- (f) FME, a new rating of record must be prepared to document a decision to deny a Within Grade Increase (WGI). For example, an employee's within grade increase is due in three weeks, the

employee's last rating of record was ME and the employee was issued a Performance Improvement Plan (PIP) that began last month. The Rating Official must decide whether the employee's current performance has come back up to ME, and if so, approve the within-grade increase or if the current performance is still below ME, a new rating must be prepared to document the employee's current performance level to support the denial of the within-grade increase. This example also applies to a performance-based pay adjustment for excepted service (i.e., EJ, EK, EQ, ER, ET) employees.

- (12) When an employee's performance has changed from ME or above to FME new rating of record must be prepared when administering a Reduction in Force.
- (13) When an employee is covered by a program (e.g., Careers Pathways Programs, Schedule A-Disability, etc.), that requires an acceptable level of performance prior to conversion from a temporary to a permanent position and the employee's performance has changed from ME or above to FME, a new rating of record must be prepared to document the employee's current performance level.
 - (a) When an employee's summary rating has improved above their current summary rating of FME at the completion of a Performance Improvement Plan (PIP), a new rating of record must be prepared to document the employee's current performance level.
 - (b) Rating of records prepared during the last 90 days of the appraisal period for any of the above exceptions will serve as the employee's rating of record for the entire appraisal period.

d. Poor or Unacceptable Performance.

- (1) At any time during the appraisal period an employee demonstrates that they are performing at least one critical element at the FME (unacceptable) level, the supervisor must contact their servicing Human Resources (HR) Office for guidance. The supervisor must then inform the employee of their performance in writing and/or verbally and provide the employee with an opportunity to improve performance to an acceptable level by developing a formal Performance Improvement Plan (PIP).
- (2) Absent extraordinary circumstances, PIPs must be issued within 30 days of any finding (rating or informal review) that an employee is performing at the FME level. PIP's not issued within this timeframe will require the OCHCO's review and approval prior to issuance to the employee.

- (3) An opportunity to improve period of no less than 30 days must be provided for each critical element in which the employee's performance is at the FME level. For example, if an employee is given a 90 day PIP on a critical element and two months after the PIP is issued the employee is determined to be performing at FME on another critical element, a separate PIP must be issued for the second critical element. In this scenario, the PIPs would run concurrently, however, the length of the improvement periods may vary (e.g. first PIP is for 90 days and second PIP is for 60 days). The PIP may be extended if the Rating Official feels additional time is needed to allow the employee to raise performance to the ME level.
- (4) Employees who have been given a notice of unacceptable performance and who are on a PIP on the last day of the appraisal period will have their appraisal period extended until the completion of the PIP. The appraisal period, including the extension cannot exceed 15 months of total time for the appraisal period.
- (5) The PIP must include:
 - (a) The length of the opportunity period. (Not less than 30 days and not more than 15 months of total time in the appraisal period);
 - (b) The specific critical element(s) for which performance is at the FME level;
 - (c) The specific actions needed to improve performance to the ME level; these actions must be specifically linked to the element for which performance was determined to be at FME;
 - (d) The assistance that will be provided to help the employee attain the ME level; this assistance may include, but is not limited to, formal training, on-the-job training, counseling, and coaching. It is imperative that the Rating Official ensures the assistance promised to the employee is delivered; and
 - (e) A statement that if the employee's performance improves but lapses again to the FME level on the same critical element(s) within 1-year from the start of the PIP, the Rating Official may propose a performance-based action, (i.e., reduction in grade or termination), without placing the employee on an additional PIP.
- (6) At the conclusion of the PIP, the Rating Official in consultation with the Servicing HR Office must take appropriate action based on the results of the employee's performance while on the PIP. For example, if the employee's performance does not rise to ME, the Rating Official must

propose a performance-based action, which could include reduction-in-grade, reassignment, or removal.

e. Use of Performance Appraisals

- (1) Merit Promotion. Candidates must be evaluated based on the documented qualifications required for the position to be filled, rather than performance in the candidate's present position. Although there is not a direct link between overall performance rating levels and merit promotion actions, supervisors should give weight to the performance rating(s) of job applicants as an indicator of the quality of prior performance and experience in making selection decisions.
- (2) Career Ladder Promotion. A rating of record may be used as a basis for determining whether an employee has demonstrated the capability to perform at the next higher level in a career ladder position. Performance in the present position must be rated at the ME level or higher in order for an employee to receive a career ladder promotion. Before an employee is promoted to the full performance level of a career ladder, the employee should have demonstrated that he/she is performing at the ME level of the higher grade
- (3) Within-Grade Increase (WGI) for (GS and AD) or Pay Adjustment (EJ, EK,EQ,ER,ET). The decision to approve or deny a WGI for GS and AD employees or a pay adjustment for EJ, EK,EQ,ER,ET employees is based on the employee's most recent rating of record issued within the WGI waiting period. If the employee's most recent rating of record does not accurately reflect the employee's current performance, a new rating must be issued to support an approval or denial of the WGI.

An employee, who has a current rating of record of FME, is not eligible for a WGI. For example, an employee's within-grade increase is due in three weeks, the employee's last rating of record was ME and the employee was issued a Performance Improvement Plan (PIP) that began last month. The Rating Official must decide whether the employee's current performance has come back up to ME, and if so, approve the within-grade increase or if the current performance is still below ME, a new rating must be prepared to document the employee's current performance level to support the denial of the within-grade increase.

- (4) Reduction-in-Force.
 - (a) When preparing for reduction in force, credit will be provided for additional years of service in accordance with 5 CFR 351.504 for performance as follows:

1 20 years for SE;

2 16 years for EE, and

3 12 years for ME.

- (b) When multiple summary rating patterns are involved in a competitive area, a separate determination will be made at that time which will provide the most equitable treatment for affected employees.

f. Performance Based Awards.

(1) General.

- (a) An employee will only receive one type of performance award for a ME or higher rating of record.
- (b) Management determines what type of award(s) will be offered to each employee based on eligibility, and will take into consideration the employee's preference, and will determine what award is approved.
- (c) When an employee is reassigned or promoted within DOE and less than 90 days are remaining in the appraisal period, the losing organization will determine the appropriate award. If the award will be a cash award, then the losing organization must provide the award amount based on the employee's salary at the time of the action and provide the funding citation to the gaining organization to process the award.
- (d) When an employee transfers into DOE and less than 90 days are remaining in the appraisal period, the gaining organization will provide a pro-rated performance award based on the losing agency's rating of record, if available, for the period of time in DOE as an incentive to transfer. The following information is to be included in employment offer letters issued to transfer employees within the last 90 days of the appraisal period.
- (e) "When a current federal employee transfers into DOE from another federal agency within the last 90 days of the appraisal period, the employee will be eligible for a pro-rated performance award (barring any budgetary constraints) based on the former agency's rating of record, provided the following criteria are met:
 - 1 The rating of record is issued to the employee during the last 90 days of DOE's current appraisal period;

- 4 The rating of record is not under a Pass/Fail program and is equivalent to at least the Meets Expectations level in the DOE performance program;
- 5 The employee did not receive a performance award based on the rating of record from their former agency for the current appraisal period, and
- 6 The employee provides the former agency's rating of record to the servicing HR Office no later than November 1 of the current year or December 1 of the current year for BPA GS, BB, BL and BS employees.

Federal employees who do not meet the above criteria will not be eligible for a performance award until the end of the next appraisal period.”

(2) Eligibility.

- (a) A covered employee who is employed by the Department on the last day of the appraisal must have a summary rating of ME or above for the current appraisal period.
 - 1 Employees who are assigned (e.g. promoted) to a SES, SL, or ST position during the appraisal period are not considered to be covered employees on the last day of the appraisal period and are not eligible to receive a performance award under this program.
 - 2 Employees that are in a pay status of less than 2080 hours during the appraisal period, including current, newly hired, transferred, and part-time employees who have been covered by a performance plan for at least 90 days on the last day of the appraisal period, are eligible for a pro-rated performance award based on their time in a pay status during the appraisal period. Periods of Leave Without Pay (LWOP) for employees performing military duty or receiving workers' compensation are considered to be in a pay status for pro-ration purposes.

(3) Pay Pools.

- (a) Departmental elements will provide a percentage of their covered employees' total salaries, as of the last day of the annual appraisal period. Percentages will be determined by the Chief Human Capital Officer (CHCO) and approved by the Secretary. However,

in the event that fiscal year funding is not sufficient as a result of budget reductions, changes in allocations or similar unanticipated circumstances, affected heads of DOE elements may request an exception from the CHCO. This exception would be limited to the performance award requirements of this policy, especially if granting performance awards would necessitate the need for a reduction in force, furlough or other similar cost cutting remedy.

- (b) Employees who are assigned to SES, SL, or ST positions during the appraisal period are not considered to be covered employees on the last day of the appraisal period; their salaries will be included in the applicable gaining organization's SES, SL, or ST performance awards pool.
- (c) Two separate pay pools will be established based on the employee's permanent position; one for supervisory and one for non-supervisory employees. The percentage of salaries used for each pool will be the same. For example: A non-supervisory employee promoted to a supervisory position during the last 90 days of the appraisal period will have their salary included in the non-supervisory pay pool and will receive their performance award based on the salary at the time of promotion (i.e. pre-promotion salary).

(4) Cash Awards.

- (a) Awards will be determined based on the summary rating and shares multiplied by the applicable share value of the applicable pool and employee's salary as follows:
 - 1 SE – 5 shares;
 - 3 EE – 4 shares;
 - 4 ME –
 - a 3 shares when the majority of weighted elements are rated at EE or equally divided between EE and ME
 - b 2 shares when the majority of weighted elements are rated ME; or
 - c 1 share when all weighted elements are rated at ME and management elects to offer this award.
- (b) Pro ration is determined by dividing the total hours in a pay status, by 2080 hours and multiplying the result by the pro rated share

value. Periods of LWOP for employees performing military duty or receiving workers' compensation are considered to be in a pay status for pro-ration purposes.

(5) Time-Off Award.

- (a) An employee may be given a time-off award in lieu of a QI or cash award based on the summary rating. Time off may be granted in one hour increments up to the maximum number of hours as follows:

1 SE – 50 hours;

2 EE – 40 hours;

3 ME –

a 30 hours when the majority of weighted elements are rated at EE or elements are equally divided between EE and ME;

b 20 hours when elements are rated ME; and

c 10 hours when all weighted elements are rated ME and management elects to offer this award.

- (b) Pro-ration is determined by dividing the total hours in a pay status, by 2080 hours and multiplying the result times the applicable hours for the rating and rounding to the nearest whole hour. Periods of LWOP for employees performing military duty or receiving workers' compensation are considered to be in a pay status for pro-ration purposes.

- (c) An employee may not receive more than 80 hours of time-off (performance and non-performance based) within one fiscal year.

- (d) Scheduling of time off is subject to supervisory approval.

(6) Quality Increase (QI). A full or part-time employee with a summary rating of SE is eligible for a quality increase or equivalent pay adjustment, in lieu of a cash or time-off award, if the following criteria are met for the entire annual appraisal period:

- (a) The employee is at the full performance level of a career ladder;
- (b) The employee has not been promoted, including a transfer that results in a promotion;

- (c) The employee has been in the same grade or pay band level;
- (d) The employee must be below step 10 of their grade level (for GS employees);
- (e) The employee has received a Significantly Exceeds Expectations (SE) summary rating;
- (f) The employee has demonstrated sustained performance of outstanding quality;
- (g) The employee has not received a QSI within the preceding 52 consecutive calendar weeks; and
- (h) The employee occupies a “permanent position.”

g. Non-Performance Based Awards and Other Forms of Recognition.

- (1) If a Departmental element wants to establish a local awards program, the program must be approved by the OCHCO, Human Capital Policy Division prior to implementation and the program must:
 - (a) Recognize and reward federal employees, individually and/or in groups, including those who support a Departmental element but are not in that element (i.e., employees from other DOE program offices, employees from other federal agencies), based on:
 - 1 Suggestions and inventions; and
 - 2 Other noteworthy special achievements or contributions;
 - (b) Recognize the achievements or contributions of employees who are on detail, on an Intergovernmental Personnel Act (IPA) assignment, or have transferred to an international organization;
 - (c) Establish criteria for determining the value of an achievement, contribution, or suggestion;
 - (d) Limit the value of nonmonetary items conferred in connection with informal recognition awards to a “nominal value” of \$50 or less;
 - (e) Publicize the criteria for awards periodically;
 - (f) Relate the award choice and size to the magnitude of the achievement, contribution, or suggestion; and

- (g) Ensure that special awards that are based on an employee's position clearly exceed the recognition afforded as a performance award.

(2) Special Act or Service (SAS) Award

- (a) A SAS award consists of cash and/or time off in recognition of a special act or service performed in the public interest in connection with or related to official employment; and clearly exceeds the recognition afforded through the issuance of a performance award.
- (b) The SAS replaces the On-The-Spot (OTS) Award as a means to provide immediate recognition for a significant deed or accomplishment performed with exceptional quality under difficult or unusual circumstances.
- (c) More than one person can be nominated for a cash and/or time-off SAS award. However, unless the accomplishments of the group meet the criteria established for a group incentive award, they are processed as individual awards.
- (d) A SAS award is not allowed to recognize employees who volunteer to support activities and events; volunteers should be recognized through a non-monetary acknowledgement.
- (e) An employee who has a current rating of record of ME or above and is not on a PIP is eligible to receive a SAS award.
- (f) The amount of a cash or time-off award for a special act or service is based on the tangible/intangible benefit to the organization. All nominations must: (1) contain the approving official's signature and date; (2) identify and describe the scope of the act; (3) demonstrate its significance to mission, goals, and/or objectives; (4) justify the award amount by following the scale in Appendix B, and (5) show that the action is beyond the scope of the employee's job duties.

(3) Time-Off Award (TOA)

- (a) A TOA may be granted to any federal employee or group of employees without "loss of pay" or "charge to leave" to encourage and reward special act or service performed in the public interest in connection with or related to official employment.
- (b) Time off may be granted in increments of up to 40 hours for any single employee contribution; an employee may not receive more

than 80 hours of time-off (performance and non-performance based) within 1 fiscal year.

- (c) Part-time employees or employees with an uncommon tour of duty, may not be granted time off (performance and non-performance based) that exceeds the average number of hours of work in the employee's biweekly scheduled tour of duty. For example: If an employee's scheduled tour of duty is 64 hours biweekly, the employee may be granted up to 64 hours of time off during the fiscal year, and cannot exceed 32 hours for a single achievement. See Appendix C as a reference for determining time off not based on performance rating.
- (d) Employees who do not have a regular, established tour of duty (intermittent) are not eligible for a time off award.
- (e) Time off must be scheduled and taken within 1 year after the date the award is effective (i.e., the date of the SF-50 effecting the award, normally the first day of the first pay period following final approval of the award). Scheduling of time off is subject to supervisory approval. If the time is not taken off within 1 year, it will be forfeited. In rare occasions, Heads of Departmental elements may approve extensions of up to 90 days on a case-by-case basis for unavoidable reasons that have prevented or will prevent using the time.
- (f) Time-off awards may not be converted to cash or transferred to another agency. Any unused time off will be forfeited once an employee separates or transfers to another federal agency. If forfeited, no other award or compensation may be substituted.

(4) Group Incentive Awards

- (a) When a cash or time-off award is granted to a group for superior accomplishments, the following provisions apply:
 - 1 The total amount of a group awards is based solely on the tangible or intangible benefits accruing from the contribution; the total amount of the award may not exceed the amount that would be authorized if the contribution had been made by one individual;
 - 2 All employees to whom the accomplishment or contribution is creditable, including a supervisor, may share in the award;

- 3 A total award may be divided in equal shares or allotted according to the contribution; separate justifications for each member of the group must be included with the overall description of the accomplishment if the members of the group receive different dollar amounts or time off.

(5) Honorary Award.

- (a) An honorary award may be presented to an individual or group, for conduct, action, or behavior that exemplifies the values, ethics, and character that DOE fosters in its employees.
- (b) Honorary awards are non-monetary awards that must be something the recipient could reasonably be expected to value but not something that conveys a sense of monetary value, the item must have a lasting trophy value, the item must clearly symbolize the employer-employee relationship in some fashion and the item must take an appropriate form to be used in the public sector and to be purchased with public funds. Examples include, but are not limited to, letters of achievement or commendation, certificates, plaques, citations, or similar non-monetary items.

(6) Informal Award.

- (a) An award that may be presented to an individual or group to recognize contributions of lesser scope that might otherwise go unrecognized.
- (b) Informal Awards must be items of nominal value and the item must take an appropriate form to be used in the public sector and to be purchased with public funds.
- (c) An informal award should be used to provide more frequent and timely informal recognition to employees. Examples include, but are not limited to, gift certificates; DOE branded merchandise, Thank you note or card; or Letter of Achievement from I high management official, etc.
- (d) The Internal Revenue Service (IRS) considers merchandise and gift cards to be a taxable fringe benefit that must be taxed on their fair market value.

(7) Career Service Award.

- (a) An honorary award presented Federal employees in recognition of their years of Federal service. Beginning on an employee's 5-year anniversary of Federal service, and awarded at 5 year intervals thereafter.

- (b) Federal employees receive a Career Service certificate, also referred to as a “Length of Service (LOS) certificate, and lapel pin to denote each key milestone. Exception: Employees do not receive a lapel pin at the 5 year milestone.
 - (c) Career Service Awards are tracked in the Corporate Human Resources Information System (CHRIS) and managed by each program office. A justification is not needed for the Career Service Award.
 - (d) Career Service certificates are not stocked by the Government Printing Office (GPO); all GPO Rider requests must be process through the printing officer.
- (8) All awards that affect more than one Departmental element must be coordinated with the Office of the Chief Human Capital Officer (OCHCO). The OCHCO will maintain a list of Secretarial and Departmental awards on its web site at: [Departmental Awards](#).

5. RESPONSIBILITIES.

a. Secretary or Designee.

- (1) Approves Secretarial Awards; and
- (2) Recommends to the Office of Personnel Management an award for an employee in excess of \$10,000.

b. Heads of Departmental Elements Other than NNSA.

- (1) Communicates the Department’s strategic plan to employees and integrate the performance management process into the strategic planning process for the organization;
- (2) Holds Rating Officials accountable for rigorous performance management of subordinates and for aligning subordinate employees’ performance plans to organizational goals;
- (3) Ensures consistency and equity in performance ratings and performance awards;
- (4) Establishes local and Departmental awards programs, with the concurrence of the Office of the Chief Human Capital Officer;
- (5) Approves performance awards up to \$10,000;
- (6) Approves Special Act or Service (SAS) awards up to \$7,500;

- (7) Recommends SAS awards in excess of \$7,500 to the Office of the Chief Human Capital Officer;
- (8) Approves extensions of up to 90 days to the time limit for using time off awards [see paragraph 4(g)(3)(e)];
- (9) Ensures that adequate funds are available for payment of monetary awards;
- (10) Publicizes and coordinates Departmental awards and ceremonies, and approves travel expenses for guests; and
- (11) Submits requests for exceptions to program requirements to the OCHCO.

c. Office of the Chief Human Capital Officer.

- (1) Develops the Departmental Employee Performance Management System and obtains OPM approval of the system;
- (2) Develops the performance and recognition program for covered employees; and ensures appropriate information and training on the requirements and administration of the program is available to covered employees;
- (3) Approves exemptions to program requirements; coordinates on the NNSA performance management program;
- (4) Approves Special Act or Service awards in excess of \$7,500 up to \$10,000;
- (5) Reviews and approves individual Departmental elements awards programs prior to implementation;
- (6) Maintains a list of Secretarial and Departmental awards and posts them on its web site;
- (7) Publicizes and coordinates Secretarial awards ceremonies and approves travel expenses for guests;
- (8) Reviews Departmental elements performance and awards programs for compliance and accountability purposes; and
- (9) Coordinates and provides applicable reports to OPM.

d. Reviewing Official.

- (1) Holds Rating Officials accountable for managing the performance program (e.g., issue performance plans, conduct progress reviews,

complete performance appraisal, etc.) for their subordinates in accordance with this Order;

- (2) Reviews and approves performance plans prior to their issuance to the employee to verify that individual critical elements are realistic and relevant to achieving the Department's mission and goals;
- (3) Reviews and approves performance appraisals, (i.e., ratings of record) prior to their issuance to the employee to ensure consistency and equity in performance ratings and performance awards; and
- (4) Reviews and approves cash and time-off award nomination packages for compliance with this Order as applicable.

e. Rating Official.

- (1) Develops performance plans jointly with employees; includes results-focused performance requirements that are aligned with organizational goals and objectives. The Rating Official will provide the employee the opportunity to participate, however, the Rating Official has the final decision on the critical elements, subject only to the plan's approval by the Reviewing Official;
- (2) Implements performance plans within 30 days, but no later than 45 days from the beginning of the appraisal period;
- (3) Discusses performance outcomes and expectations with the employee throughout the appraisal period;
- (4) Conducts and documents progress reviews. The review must include a discussion with the employee;
- (5) Prepares performance ratings after the end of the appraisal period by objectively evaluating each critical element and assigning the appropriate rating level;
- (6) When departing during the last 90 days of the appraisal period, the Rating Official must complete performance rating for each eligible employee that will serve as the rating of record for the appraisal period for all subordinates who have been covered by performance plans for at least 90 days. Exception: When the Rating Official does not have sufficient time (e.g. short-notice reassignment) to complete a rating of record for each eligible employee, they must leave information on each employee's performance to assist the new Rating and/or the Reviewing Officials in completing the ratings of record for the appraisal period;
- (7) Provides performance counseling to assist employees in improving performance to an acceptable level;

- (8) Consults with the servicing HR Office prior to developing a Performance Improvement Plan (PIP) when an employee's performance drops to the FME level on at least one critical element. Evaluate performance at the completion of the PIP and take appropriate action based on the results of the assistance; and
- (9) Reviews and approves cash and time-off award nomination packages for compliance with this Order as applicable.

f. Human Resources Office.

- (1) Performs all phases of technical and operational support, including providing day-to-day advice, training, and guidance to employees and supervisors on the policies and procedures of the performance management and recognition program and ePerformance;
- (2) Ensures that performance appraisal documents are maintained in accordance with the personnel records requirements in 5 CFR 293 and 297;
- (3) Ensures that completed performance ratings are in compliance with requirements to include assignments of summary ratings; and
- (4) Ensures that performance and incentive awards meet program requirements prior to processing;

g. Employee.

- (1) Familiarizes themselves with the requirements of this Order to become knowledgeable of the performance management and recognition program;
- (2) Familiarizes themselves with strategic and/or organizational goals as it relates to his/her position;
- (3) Encouraged to participate with the Rating Official in the development of the performance plan;
- (4) Ensures understanding of the Rating Official's expectations and those required of the position;
- (5) Encouraged to submit performance accomplishments for management to consideration at mid-year and year-end;
- (6) Takes ownership of one's performance to consistently achieve expectations and outcomes of each critical elements; and

- (7) Takes action to improve performance that is identified below the ME level.

6. REFERENCES.

- a. 5 U.S. Code Part III, Subpart C, Chapter 43 – Performance Appraisal;
- b. 5 U.S. Code Part III, Subpart C, Chapter 45– Incentive Awards;
- c. 5 U.S. Code Part III, Subpart D, Chapter 53 – Periodic step-increases and Additional Step-Increases;
- d. 5 Code of Federal Regulations, Part 430 – Performance Management;
- e. 5 Code of Federal Regulations, Part 432 – Performance Based Reduction in
- f. Grade and Removal Actions;
- g. 5 Code of Federal Regulations, Part 451 – Awards;
- h. 5 Code of Federal Regulations, Part 531– Within-Grade Increases and Quality Step Increases;
- i. 5 Code of Federal Regulations, Part 293 – Employee Performance File System Records;
- j. Code of Federal Regulations, Part 297 – Privacy Procedures for Personnel Records;
- k. 5 Code of Federal Regulations, Part 304—Expert and Consultant Appointments Office of Personnel Management – Guide to Processing Personnel Actions;
- l. Office of Personnel Management – Guide to Personnel Recordkeeping; and
- m. DOE O 322.1A – Pay and Leave Administration and Hours of Duty;

7. DEFINITIONS.

- a. Acceptable Level of Performance: Performance that meets the requirements of an employee's critical elements, which are written at a ME level.
- b. Acknowledge: The process of formally signing performance plans and ratings in ePerformance to acknowledge the implementation of a plan at the beginning of the appraisal period when the plan is issued, when a progress review is held, and at the end of the appraisal period when the rating of record is rendered.
- c. Advisory Rating: An unscheduled performance rating that is prepared for an employee who is detailed or temporarily promoted to another position or specific

set of duties for 90 days or more, and consists of a rating of each critical element; the advisory rating is completed by the Rating Official to whom the detailed or temporarily promoted employee reports.

- d. Appraisal: The process under which employee performance is reviewed and evaluated.
- e. Appraisal Period: The established period of time for which performance will be reviewed and a rating of record will be prepared; in DOE, normally the fiscal year (October 1 to September 30), unless special circumstances exist as described in 4.c.(12)-(19).
- f. Critical Element: An assignment or responsibility of such importance that unacceptable performance in a single critical element would constitute an overall FME summary rating; it identifies specific performance outcomes and expectations that are to be accomplished during the appraisal period, the manner of performance in which they have to be done, how well they have to be done, and how they will be measured.
- g. Days: Calendar days, unless otherwise specified.
- h. Honorary Award: An award presented to an individual or group, for conduct, action, or behavior that exemplifies the values, ethics, and character that DOE fosters in its employees.
- i. Informal Award: An award that may be given to recognize contributions of lesser scope that might otherwise go unrecognized.
- j. Minimum Appraisal Period: The minimum appraisal period is 90 days from the effective date that the employee is assigned, detailed, or temporarily promoted to a position; in no case shall an appraisal period be less than 90 days.
- k. Not Ratable (NR): NR indicates that the employee did not have an opportunity to perform the critical element due to reasons beyond the employee's control; any critical element considered to be NR will not be considered when determining the employee's summary rating.
- l. Pay Pool: The funding allocated to pay performance awards. Each Departmental element will provide 3%-4% of their covered employees' total salaries as of September 30 to establish its pay pools; two pools will be established, one for supervisory employees and one for non-supervisory employees; the same percentage will be used for each pool.
- m. Performance Award: A lump-sum cash award based on a rating of record of Meets Expectations or higher.

- n. Performance Improvement Plan (PIP): A formal memorandum notifying an employee of the need to improve unacceptable performance, to identify specific performance deficiencies, to communicate the potential consequences of continued unacceptable performance, to inform the employee how performance may be improved, and to establish a timeframe for observing and reevaluating performance.
- o. Performance Plan: A document that contains critical elements that specify the expected performance outcomes and expectations upon which an employee's performance is evaluated; the performance plan is expected to be developed jointly by the Rating Official and the employee; and it becomes official when signed by at least the Reviewing and Rating Officials and is provided to the employee.
- p. Performance Rating: A written or otherwise recorded appraisal of performance based on the outcomes and expectations for each critical element, on which there has been an opportunity to perform for at least 90 days; a performance rating is also referred to as a summary rating and rating of record.
- q. Performance Standard: Specific occupational and/or safety standards when the performance of occupational and/or safety duties are an essential part of the position.
- r. Position of Record: The position to which an employee is officially assigned at the time of the appraisal (temporary details are not official positions of record).
- s. Progress Review: A required meeting typically occurring during the middle of the appraisal period between the Rating Official and the employee to discuss the employee's progress towards meeting the job performance expectations in the employee's performance plan; at least one progress review is required each appraisal period.
- t. Quality Increase: An increase in an employee's rate of basic pay from one step or rate of the grade of his or her position to the next higher step of that grade or subsequent higher rate within the pay band, an employee must receive a summary rating of Significantly Exceeds Expectations (SE) on his/her most recent rating of record to be eligible.
- u. Rating Levels: Levels of performance used to evaluate individual critical elements and derive a final summary rating; DOE's rating levels are Exceeds Expectations (EE), Meets Expectations (ME), Fails to Meet Expectations (FME).
- v. Rating Official: Normally, the immediate supervisor of an employee who is responsible for developing performance plans, monitoring performance, and rating performance of the employees under his/her supervision; Rating Officials must evaluate an employee's performance fairly and accurately against each critical element.

- w. Rating of Record: The summary appraisal prepared at the end of the appraisal period for performance of duties over the entire appraisal period and the assignment of a summary level (as specified in 5 CFR 430-208); an employee's rating of record can be used as a basis for pay, awards, development, retention, removal, and other personnel decisions.
 - x. Recognition: Acknowledging contributions through monetary and non-monetary means.
 - y. Reviewing Official: The person with full supervisory authority who is responsible for approving performance plans and summary ratings of record prior to their transmittal to employees; the Reviewing Official is normally the Rating Official's immediate supervisor.
 - z. Share: A percentage increase to base pay; the share value is determined by dividing the Awards Pool (a percentage of all employee base salaries within a pay pool) by the sum of the employees' aggregate salaries (sum of all employees' salaries within a pay pool).
 - aa. Summary Level: The numerical value in 5 CFR 430.208 that corresponds to DOE's summary levels.
 - bb. Summary Rating: An overall rating based on the rating for the critical elements that describes an employee's overall performance throughout the appraisal period; this rating is considered the rating of record and is described using summary levels.
 - cc. Within-Grade Increase (WGI): A periodic increase in an employee's rate of basic pay from one step of the grade of their position to the next higher step of that grade or equivalent pay adjustment.
8. CONTACT. Questions concerning this directive should be addressed to the Office of Strategic Planning & Policy at (202) 586-8451.

BY ORDER OF THE SECRETARY OF ENERGY:

Logo
inserted
here after
approval

ELIZABETH SHERWOOD-RANDALL
Deputy Secretary

APPENDIX A

SUPERVISORY CRITICAL ELEMENT

Carries out supervisory/managerial duties in accordance with Federal regulations and DOE directives, within established deadlines, to provide subordinates with leadership and direction in order to support (insert organization) and DOE in meeting its mission, goals and objectives. Seeks out feedback from others; considers employee and customer feedback to develop and implement initiatives to improve program/project performance, promotes diversity and cooperation among peers and subordinates, while guiding, motivating and stimulating positive responses. Manages the performance appraisal program for his/her subordinates through meeting deadlines, aligning subordinate performance plans to DOE goals, providing meaningful and timely feedback, making distinctions in ratings and awards, and addressing poor performance and other employee relations issues.

Provides leadership and support to improve the hiring process to recruit a diverse and highly skilled workforce by planning for current and future workforce requirements, identifying skills required for the job, proactively participating in the recruitment and interviewing processes, and providing assistance to newly hired Federal employees in accordance with DOE requirements and established time frames in order to meet the President's recruitment and hiring reform objectives.

Provides training and mentorship to employees on the relationship of individual program priorities and goals to the Departmental Strategic Objectives in the DOE Strategic Plan. Supports employee development through job details, training, and other means; provides highly-potential employees with opportunities to work between headquarters and the field, as well as between line and support functions.

(Identify any organizational milestone, deliverables, or deadlines)

MONETARY AWARDS SCALE FOR TANGIBLE/INTANGIBLE BENEFITS FROM SUGGESTIONS, INVENTIONS, SPECIAL ACTS OR SERVICES				
VALUE OF BENEFIT	EXTENT OF APPLICATION			
	Limited Affects functions, mission, or personnel of one office (e.g., field site office or one office within a HQ Departmental element). Affects a small area of science or technology.	Extended Affects functions, mission, or personnel of a several field site offices or HQ office within a Departmental element (e.g., more than one). Affects an important area of science or technology.	Broad Affects functions, mission, or personnel of an entire Departmental element or Departmental element with multiple site offices. Affects a broad area of science or technology.	General Affects functions, mission, or personnel of multiple Departmental elements or throughout the Department or is in the public interest throughout the Nation or beyond.
Moderate Change or modification of an operating principle or procedure with limited impact or use.	Up to \$120	Up to \$300	Up to \$600	Up to \$1,200
Substantial change or modification of an operating principle or procedure; an important improvement to the value of product, activity, or program.	Up to \$300	Up to \$600	Up to \$1,000	Up to \$3,000
High Complete revision of a basic principle or procedure; a highly significant improvement to the value of a product, major activity, or program.	Up to \$600	Up to \$1,200	Up to \$3,000	Up to \$6,000
Exceptional Initiation of a new principle or procedure; a superior improvement to the quality of a critical product, activity, or program.	Up to \$1,200	Up to \$3,100	Up to \$6,000	Up to \$10,000 (awards over \$10,000 must be approved my OPM)

TIME OFF AWARD SCALE FOR TANGIBLE/INTAGIBLE BENEFITS	
VALUE OF THE EMPLOYEE'S CONTRIBUTION	HOURS TO BE AWARDED
<i>MODERATE</i> – A contribution to a product, program or service to the public which is of sufficient value to merit formal recognition. Beneficial change or modification of operating principles or procedures.	1 - 10 Hours
<i>SUBSTANTIAL</i> – An important contribution to the value of a product, activity, program or service to the public. Significant change or modification or operating principles or procedures.	11 - 20 Hours
<i>HIGH</i> – A significant contribution to the value of a product, activity, program or service to the public. Complete revision of operating principles or procedures with considerable impact.	21 - 30 Hours
<i>EXCEPTIONAL</i> – A superior contribution to the quality of a critical product, activity, program or service to the public. Initiation of a new principle or major procedure with significant impact.	31 - 40 Hours